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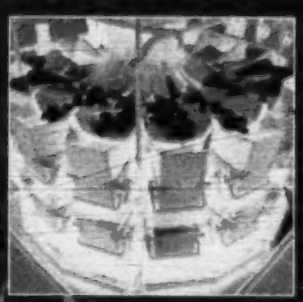
Making Fish in Burin

Nestled amongst the craggy rocks and tiny coves of the town of Burin is one of Newfoundland and Labrador's manufacturing success stories.

The Fishery Products International (FPI) Burin secondary processing plant opened in 1987 as a value-added processing facility - the only such plant in Newfoundland and Labrador and one of only two operated by the multi-national company. FPI also operates two snow crab processing plants, two coldwater shrimp processing plants and three groundfish processing plants around the Province.

The Burin plant stands on the site of the first Fishery Products plant, one of the predecessor companies of FPI, and dates back to the early 1940s. Today, its 180 employees are celebrating a recent infusion of capital spending by FPI that will ensure its future.



A capital investment of approximately $2 million represents the largest investment in the Burin plant since it opened. A new freezer will replace current equipment and increase efficiencies and plant capacity. Other new equipment will allow more precise portion control and enable the plant to develop products in a wider assortment of shapes.

World Markets for NL Fish

57%	United States
10%	China
7%	Denmark
5%	Japan
21%	Other

"Value added processing is a highly competitive industry and this investment will improve efficiencies on many of the products that we produce. The increased capacity will enable us to further grow our product lines," said plant manager Murray Dicks.

"Production volumes here at Burin have grown in excess of 30 percent in less than three years. This is phenomenal growth in a mature industry such as value added processing," Dicks said.

The facility is part of the FPI's Marketing and Value Added Group, the business unit that has been driving the company's revenues and profits this year.

The Burin operation is not dependant on locally harvested and processed seafood. Over 70 percent of the raw material processed in Burin is sourced from around the world. Among the globally sourced raw material is cod and sole from China, pollock from Alaska, and haddock from the Faroe Islands.

The Burin plant specializes in breaded and battered seafood products and rolled and stuffed sole for foodservice and retail customers. Private label products such as Loblaw's President's Choice in Canada and Migros' Maripac in Europe are familiar to consumers, as is FPI's Sea Cuisine brand sold in big-box stores in the United States. In Canada, McDonald's Filet-O-Fish is made in Burin from imported Alaskan pollock.

In an average year, 70 percent of the plant's products are sold in Canada, 25 percent in the US, and five percent in Europe.

www.fpil.com

An Ideal enterprise for this jack-of-all-trades

When the radio station he worked for in Grand Bank closed its doors Bob Harris had a choice: move to a larger centre or find something else to do in Grand Bank.

Harris stayed, and since 1993, his company, Bob's Wire Traps Limited, has grown to become Ideal Enterprises Inc., now three distinct businesses that for Harris has meant becoming something of a jack of all trades.

Year-round, Harris operates the local cable-advertising channel out of an office in Grand Bank and a contracting business for small construction and renovation jobs. But it's the trap business that has Harris hanging around the historic and picturesque Grand Bank wharf during the fishing season.

Back in 1993, potential lenders told Harris that his plan to supply lobster traps and crab pots to fishers on the south coast and Burin Peninsula couldn't sustain itself. It was the onset of the cod moratorium and they weren't interested in lending to fishing enterprises.

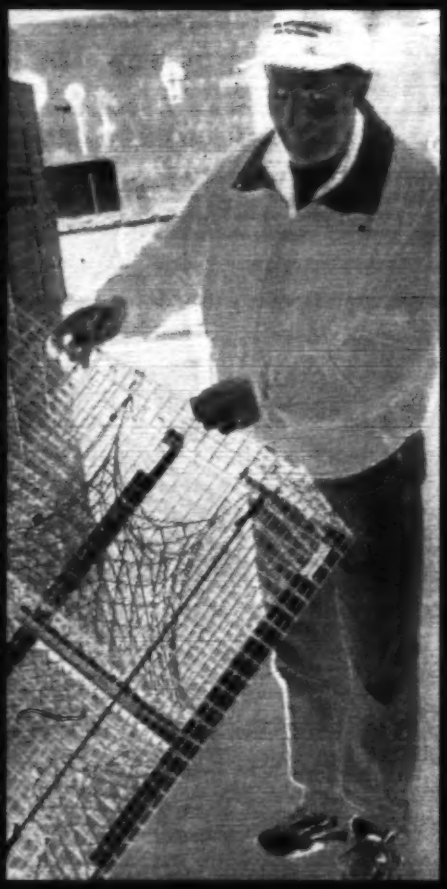
Harris' research suggested there were a quarter of a million wooden lobster traps in use in the area a decade ago - traps that are usually either lost in bad weather or deteriorate after seasons of use. Nine years later, Harris' Ideal Enterprises employs up to 12 people seasonally and he plans to develop new products for emerging fisheries. "Don't take no as a final answer," Harris says.

Ideal Enterprises builds wire lobster traps and crab pots for customers along the south coast of the province, and recently the company has picked up a few clients in St. Pierre-Miquelon, the two French islands located off the southern tip of the Burin Peninsula. And while being a small producer competing with larger companies producing greater quantities of product can be a disadvantage, Harris prefers to use geography to his advantage.

Operating a manufacturing facility right on the dock in Grand Bank puts him close to his clientele. "My customers are also boat owners. If they need lobster traps, I can deliver the pots right to the boat – no transportation costs. I have an order now to be delivered to a St. Pierre boat that is at the Marine Centre (a repair facility in nearby Fortune)," Harris says.

Success for Ideal Enterprises depends on the viability of traditional fisheries and the success of emerging fisheries. To continue in the business means looking for new markets and developing new products. Harris says crab has reached its peak and he's looking at new products for two emerging species and already producing traps for another. Toad and rock crab pots are possibilities, but it's the Asian appetite for whelk that's interested Harris lately.

Whelk (a species of shell fish that looks like a big snail) is an emerging fishery in the St. Pierre area, and Harris has been producing pots for the boat owners who have been testing the fishery on the St. Pierre bank. With fishers able to use up to 500 whelk pots per license, Harris hopes the St. Pierre and local whelk fishery will grow into a sustainable one, because it means another commercial product line for Ideal Enterprises.



Update - Kiewit Offshore Services Ltd.

Since purchasing the Marystown shipyard and Cow Head fabrication facility in April, Kiewit Offshore Services Ltd. (KOS) has been preparing the facilities for work on the topsides modules for the $2.3 billion White Rose offshore oil project.

The ramp-up to full activity at the Cow Head site is underway as more than a quarter of the planned 600-plus workforce is currently preparing the fabrication yard, constructing a new painting facility and doing smaller boat repair work at the Marystown shipyard site.

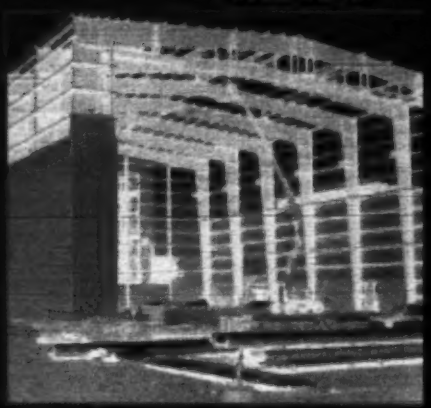
The KOS facilities will carry out all of the installation and integration activities for the topsides modules and will be responsible for almost 60 per cent of the total topsides fabrication work for the White Rose Floating, Production, Storage and Offloading vessel (FPSO).

Stan Smith, Manager of the KOS facilities in Marystown, is confident the White Rose work will lead to other major projects. "We're not here just to build White Rose. We're here to build an ongoing business," he said.

"The boundary settlement between Nova Scotia and Newfoundland and Labrador seems to be spurring activity on the offshore fabrication side. We're going to use White Rose to build the facility back up again. Before that winds down, we'll be looking for other work," Smith added.

KOS is a division of Peter Kiewit Sons Co. Ltd. The company has been active in Newfoundland and Labrador construction projects since the early 1990s, including the fabrication and installation of the topside modules for the Hibernia GBS utility shaft, co-management of the Hibernia GBS concrete construction, and the design-build of a second finger pier at the Whiffen Head storage and trans-shipment facility.

www.kos.nfld.net



Ambassador named CCC Chair

Well known Newfoundland and Labrador businesswoman Siobhan Coady has been appointed Chair of the Board of the Canadian Chamber of Commerce for 2002-2003.

"For the next twelve months I will be leading a dedicated board of directors who will be advancing the views and interests of the 170,000 members of the Canadian Chamber," explained Coady on the announcement. "Our job is to make sure the federal government makes Canada the most attractive place in the world to do business," she added.

An active member of the Canadian Chamber's Board of Directors since 1993, Ms. Coady has held many capacities including Vice Chair, Chair of the Policy Committee, Chair of the Executive Committee, and Treasurer.

Coady is a past President of the St. John's Board of Trade. In 1994, the Atlantic Canada Chamber of Commerce awarded her the Harvey Webber Award in recognition of her outstanding service in strengthening the Chamber movement in Atlantic Canada.

"With her extensive chamber experience and business success, Siobhan is well prepared to lead a board of over 50 businesspeople from all regions of Canada and every sector of the economy," commented Nancy Hughes Anthony, President and CEO of the Canadian Chamber of Commerce. "She will be playing a key role in the Canadian Chamber's advocacy work over the next twelve months."

Coady is President and Chairman of the Board of Bonaventure Fisheries, a privately held fish harvesting company with operations in Newfoundland and Labrador and Nunavut. She also holds the position of Chief Operating Officer of Newfound Genomics, a leading biotechnology company.

In addition to being an active Ambassador for Newfoundland and Labrador, Coady, a native of Grand Falls-Windsor, is an Accredited Public Relations Professional and an alumnus of Memorial University of Newfoundland. She is also chair of the Department of Industry, Trade and Rural Development's EDGE Board of Directors.

Did You Know?

The provincial government will establish a Crown corporation to govern the Art Gallery of Newfoundland and Labrador, the Provincial Archives of Newfoundland and Labrador and the Provincial Museum of Newfoundland and Labrador. All three will be moving into The Rooms, a new culture and heritage facility being constructed in St. John's.

Lotek Wireless Inc. has received the 2002 Canada Export Award for Innovation and Technology, topping the list of Canadian high-tech innovators recognized at the annual convention of the Canadian Manufacturers and Exporters Association. Lotek Wireless Inc., a world leader in the design and manufacture of electronic fish and wildlife tracking and monitoring systems, has offices in St. John's, Newfoundland and Labrador and Newmarket, Ontario.

Our closest trading partner?

In Fortune on the Burin Peninsula, the Cap Blanc loads a half dozen tractor trailers bound for St. Pierre-Miquelon. Customs officials tally each load and file the paperwork – a scene that is repeated every few days. They also inspect the steady stream of tourists boarding the passenger ferries to sample a taste of France. For the ferries and the cargo boats, it is a 25-mile crossing that has been getting busier in the past few years.

Geographically at least, the tiny French islands are our closest international trading partner, and according to Statistics Canada, trade traffic between Newfoundland and Labrador and St. Pierre has been increasing in recent years. In 2001, exports from this province bound for St. Pierre totalled more than $6.4 million, up from $3.7 million in 2000.

The rerouting of a second cargo vessel and an increase in tourist traffic are the primary reasons for the increase. Two years ago the St. Pierre company that operated the Halifax-St. Pierre route began transporting containerized cargo across the Cabot Strait to Fortune on the Burin Peninsula.

The cargo vessel Cap Blanc was put into service as the second vessel hauling freight between Fortune and St. Pierre-Miquelon. The result has been an interesting lesson on the importance of transportation links and their overall effect on trade.

The numbers from Statistics Canada (see chart) tell an interesting story of how transportation links affect trade amongst the Atlantic Provinces. In 2001, Newfoundland and Labrador exports to St. Pierre rose while those from Nova Scotia, Quebec, and New Brunswick all declined. Since 1993, each of the three provinces exports to St. Pierre-Miquelon have decreased by more than half. Newfoundland and Labrador exports to St. Pierre-Miquelon have more than tripled.

Value of Shipments to St. Pierre and Miquelon

Voisey's Bay deal inked

The Government of Newfoundland and Labrador and Inco Ltd. has signed a development agreement and an industrial and employment benefits agreement for the Voisey's Bay Project. These agreements contain the undertakings and commitments that both parties agreed to in the Statement of Principles signed on June 11, 2002.

Over the life of the project, the total capital investment in the province will exceed $2.9 billion and total employment benefits are estimated to be 76,000 direct and indirect person-years. Provincial GDP impact over the 30-year period is estimated to be approximately $11 billion.

Work has commenced at the Voisey's Bay site with road construction and building of a temporary dock. To date, 12 contracts have been awarded valued at over $30 million, and 250 direct and indirect jobs have been created.

www.gov.nf.ca/voiseys

Project Development

Construction of the mine and mill / concentrator at Voisey's Bay
$710 million, 550 jobs

Hydromet demonstration plant at Argentia
$83 million, 200 jobs

Hydromet processing facility at Argentia
$800 million, 1,000 jobs

Inco Innovation Centre in St. John's
$10 million

Underground exploration at Voisey's Bay
$95 million, 85 jobs

Project Operations

Mine and mill/concentrator at Voisey's Bay
400 jobs, increasing to 800 jobs

Processing facility at Argentia
400 jobs

Inco Innovation Centre at St. John's
50-60 students per year

Help spread the message!

Thank you for reading this edition of The Ambassador newsletter. We are always looking for ways to reach as many people as possible with the good news about business in Newfoundland and Labrador. If this copy of The Ambassador was mailed to you, pass it along, or request extra copies so you can help spread the news. If you're reading someone else's copy of the newsletter, contact us and we will put you on our mailing list. Our contact information is below.

Provincial Trade Missions and Exhibitions

EVENT	LOCATION	DATE	CONTACT	PHONE
International Workboat Show	New Orleans, LA	December 4 - 6	Darrell O'Neill	729-0680
St. John's Board of Trade Outlook Conference	St. John's, NF	January 18	Bruce Tilley	726-2961
By Hand (Wholesale Craft Show)	Toronto, ON	January 24 - 27	Heather Stone	729-7132
CGTA (Canadian Giftware Buyer's Show)	Toronto, ON	January 26 - 30	Heather Stone	729-7132
Atlantic Craft Trade Show (ACTS) NL is event host	Halifax, NS	February 1 - 3	Heather Stone	729-7132
Americana (Pan-Am Environmental Trade Show)	Montreal, PQ	March 19 - 21	Darrell O'Neill	729-0680
NATI - Flat Out Conference	St. John's, NF	March 2003	Elaine Terry	772-7386
Dimension Stone Industry Symposium	Grand Falls-Windsor, NF	March 2003	Dave Evans	292-4073
Provincial Craft Trade Show and Seminars	St. John's, NF	April 7 - 8	Heather Stone	729-7132
Team Canada Multi-Sector Trade Mission	Western Europe	April (Tentative)	Bob Norman	729-0598
CoreNet Global	Toronto, ON	May 3-7	Maria Yablon	729-4936
Offshore Technology Conference	Houston, TX	May 5-8	Clyde Woodward	729-5064
Team Canada Atlantic Multi-Sector Trade Mission	Washington, D.C.	May 2003	Jonathan Brockway	729-5680

Newfoundland & Labrador Canada
Department of Industry, Trade and Rural Development

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